

STATE OF MICHIGAN  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE SERVICES

**Before the Commissioner of the Office of Financial and Insurance Services**

***In the Matter of:***

Christian Kuretski  
125 Demopolis Ave.  
Staten Island, NY 10312

Worldwide Partners, LLC  
America's Hedge Fund, LP  
125 Demopolis Ave.  
Staten Island, NY 10312

*Respondents*

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Issued and entered  
On April 1, 2004  
By Linda A. Watters, Commissioner  
Office of Financial and Insurance Services

**ORDER TO CEASE AND DESIST**

The Office of Financial and Insurance Services (OFIS) of the Michigan Department of Labor & Economic Growth, pursuant to the Administrative Procedures Act of 1969, 1969 PA 306, as amended; MCL 24.201 *et seq.*; the Michigan Uniform Securities Act, 1964 PA 265, as amended; MCL 451.501 *et seq.* (Act), and the rules promulgated under the Act, says that:

**I**

**BACKGROUND**

1. Christian P. Kuretski (Respondent) is an individual employed by Worldwide Partners, LLC.
2. Worldwide Partners, LLC is located at 125 Demopolis Ave., Staten Island, NY 10312.
3. At all times herein, Respondents were not registered by OFIS as a broker-dealer or agent, or as a National Association of Securities Dealers (NASD) member.
4. On or about March 13, 2003, the Office of Financial Insurance Services received a complaint concerning Respondents.
5. Respondent, Kuretski sold securities to Complainant worth \$110,500.
6. These securities were not registered or exempt under the Act.
7. Respondent, Kuretski also convinced Complainant to purchase a “riskless arbitrage” investment in America’s Hedge Fund, LP.
8. The shares of the limited partnership were not exempt securities.
9. Respondent Kuretski’s actions in selling securities to Complainant qualify him as a broker-dealer, as defined in Section 401 of the Act.
10. Broker Dealer is defined as any person engaged in the business of effecting transactions in securities for the account of others or for his or her own account.
11. Section 201 of the Act prohibits a person from transacting business in this state as a broker-dealer or agent unless they are registered under this Act.
12. Section 301 of the Act provides that it is unlawful for any person to offer or sell any security in this state unless 1 of the following is met:
  - a. It is registered under the Act

- b. The security or transaction is exempted under Section 402 of the act
  - c. The security is a federally covered security.
- 13. Section 101(2) of the Act, provides that it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading.
- 14. Respondent, Worldwide Partners, LLC and America's Hedge Fund, LP are not authorized to conduct business in the State of Michigan. By conducting business in the State of Michigan, Respondent was misleading the public into thinking they were a licensed business.
- 15. Investment Adviser is defined in Section 401 of the Act, as any person who, for consideration, engages in the business of advising others, either directly or through publications or writings, as to the value of securities, or as to the advisability of investing in, purchasing, or selling securities, who, for consideration and as a part of a regular business, issues or promulgates analyses or reports concerning securities, or who acts as a finder in conjunction with the offer, sale, or purchase of a security.
- 16. Respondent Kuretski encouraged Complainant to purchase a "riskless arbitrage" investment in America's Hedge Fund, LP.
- 17. By encouraging Complainant in this manner, Respondent Kuretski was acting as an investment adviser.

18. Section 201(c) of the Act states a person shall not transact business in this state as an investment adviser unless the person meets 1 or more of the following:
  - a. The person is registered under this act.
  - b. The person is registered as a broker-dealer without the imposition of a condition under 204(b)(5).
  - c. The person's only clients in the state are insurance companies, federally covered advisers, banks, or trust companies.
  - d. The person is an investment adviser who is not required to be registered as an investment adviser under the investment advisers act of 1940.
  - e. The person's only clients in this state are individuals who access the persons services through a 1-900 or toll free number and the services are generic in nature and not customized or specific to an individual and would not otherwise be considered the offering of investment advice.
19. On April 22, 2003 OFIS sent a letter to Respondents demanding that they reply in writing to the allegations set forth, and produce any documents necessary to support their response.
20. Respondents did not reply to this letter.
21. Section 407(a)(2) of the Act states that the Commissioner may require or permit any person to file a statement in writing, under oath or otherwise as the administrator determines, as to all the facts and circumstances concerning the matter to be investigated.

## II

### CONCLUSIONS OF LAW

WHEREAS, the Commissioner finds that a person must be registered under Section 201 of the Act in order to offer to sell or sell investments; and

WHEREAS, the records of OFIS disclose that neither Christian Kuretski, Worldwide Partners, LLC, or America's Hedge Fund, LP were licensed to conduct business in the State of Michigan.

WHEREAS, the investment in America's Hedge Fund, LP is a security within the meaning of Section 401; and

WHEREAS, the records of OFIS disclose that the investments offered by Respondents were not:

- (a) Registered under Section 302 of the Act;
- (b) Exempt from registration under Section 402 of the Act; and
- (c) Federally covered securities; and

WHEREAS, the records of OFIS disclose that the securities transactions relating to the Interests are not exempt under Section 402 of the Act; and

WHEREAS, the Commissioner finds that the Respondent, Christian Kuretski omitted to state the material fact that he is not licensed under the Act and the investment interests sold are unregistered securities; and

WHEREAS, based on the foregoing, the Commissioner finds that Respondents are engaged in acts and practices that violate Sections 101, 201, 301, and 407(a)(2) of the Act and Rules promulgated under the Act; and

WHEREAS, the Commissioner finds this action necessary and appropriate in the public interest for the protection of the public and consistent with the purposes fairly intended by the policy and provisions of the Act.

**IT IS THEREFORE ORDERED**, pursuant to Section 408 of the Act, MCL 451.808, that:

1. The Respondents shall immediately **CEASE AND DESIST** from transacting business in this state as a broker-dealer or agent, or an investment adviser without being registered under the Act and from offering to sell or selling unregistered securities in and from the State of Michigan.

Failure to comply with this ORDER will subject you to one or more of the following:

- a. A civil penalty of not more than \$1,000 for each violation of this act, but not to exceed a total of \$10,000.
- b. A criminal penalty of not more than \$25,000 for each violation, or imprisonment of not more than 10 years, or both.

You may file with the Administrator within 15 days after service of this Order a written request for a hearing. The Administrator, within 15 days after your filing, shall issue a notice of hearing and set a date for the hearing. Any request for a hearing should be addressed to: the Office of Financial and Insurance Services, Attention: Hearing Coordinator Dawn Kobus, P.O. Box 30220, Lansing, Michigan 48909. If you do not request a hearing, or it is not ordered by the Administrator within 15 days, this order will stand as entered and will be FINAL.

It is important to understand that any statements that you present in response to this Order may be used against you at a hearing. It is also important to understand that you have the right, at your own expense, to have an attorney assist you at a hearing.

Any other communication regarding this Order should be addressed to the Office of Financial and Insurance Services, Attention: William Peattie, P.O. Box 30220, Lansing, Michigan 48909.

MICHIGAN DEPARTMENT OF  
LABOR & ECONOMIC GROWTH

By \_\_\_\_\_  
Linda A. Watters, Commissioner  
Office of Financial and Insurance Services